

**ND ASSOCIATION OF COUNTIES FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2008**

	September-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>								
<i>Structured Growth</i>								
Los Angeles Capital	45,192	4.4%	4.4%	-12.89%	-12.89%	-7.79%	7.68%	N/A
<b>Total Structured Growth</b>	<b>45,192</b>	<b>4.4%</b>	<b>4.4%</b>	<b>-12.89%</b>	<b>-12.89%</b>	<b>-7.79%</b>	<b>7.68%</b>	<b>9.56%</b>
Russell 1000 Growth				-12.33%	-12.33%	-5.96%	5.91%	7.32%
<i>Structured Value</i>								
<b>LSV</b>	<b>42,699</b>	<b>4.1%</b>	<b>4.4%</b>	<b>-6.65%</b>	<b>-6.65%</b>	<b>-21.43%</b>	<b>3.81%</b>	<b>11.57%</b>
Russell 1000 Value				-6.11%	-6.11%	-18.78%	3.53%	8.92%
<i>Russell 1000 Enhanced Index</i>								
<b>LA Capital</b>	<b>91,311</b>	<b>8.8%</b>	<b>8.9%</b>	<b>-9.52%</b>	<b>-9.52%</b>	<b>-9.54%</b>	<b>6.97%</b>	<b>N/A</b>
Russell 1000				-9.35%	-9.35%	-12.36%	4.81%	
<i>S&amp;P 500 Enhanced Index</i>								
<b>Westridge</b>	<b>94,070</b>	<b>9.1%</b>	<b>8.9%</b>	<b>-8.06%</b>	<b>-8.06%</b>	<b>-12.18%</b>	<b>4.98%</b>	<b>N/A</b>
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	
<i>Index</i>								
State Street	29,508			-11.64%	-11.64%	-18.24%	2.93%	6.64%
<b>Total 130/30</b>	<b>29,508</b>	<b>2.8%</b>	<b>3.0%</b>	<b>-11.64%</b>	<b>-11.64%</b>	<b>-18.24%</b>	<b>2.93%</b>	<b>6.64%</b>
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	7.59%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>302,780</b>	<b>29.2%</b>	<b>29.7%</b>	<b>-9.42%</b>	<b>-9.42%</b>	<b>-12.71%</b>	<b>5.68%</b>	<b>9.31%</b>
S&P 500				-8.37%	-8.37%	-13.12%	4.41%	7.59%
<b>SMALL CAP DOMESTIC EQUITY</b>								
<i>Manager-of-Managers</i>								
<b>SEI</b>	<b>60,380</b>	<b>5.8%</b>	<b>6.0%</b>	<b>-6.64%</b>	<b>-6.64%</b>	<b>-20.93%</b>	<b>2.06%</b>	<b>9.10%</b>
Russell 2000 + 200bp				-0.61%	-0.61%	-14.48%	5.88%	12.50%
<i>Enhanced</i>								
<b>Research Affiliates</b>	<b>65,202</b>	<b>6.3%</b>	<b>6.0%</b>	<b>-2.34%</b>	<b>-2.34%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Russell 2000				-1.11%	-1.11%	-16.19%		
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>125,581</b>	<b>12.1%</b>	<b>12.1%</b>	<b>-4.46%</b>	<b>-4.46%</b>	<b>-21.14%</b>	<b>1.97%</b>	<b>9.04%</b>
Russell 2000				-1.11%	-1.11%	-16.19%	3.79%	10.29%
<b>INTERNATIONAL EQUITY</b>								
<i>Large Cap - Active</i>								
Capital Guardian	50,979	4.9%	5.3%	-19.12%	-19.12%	-12.37%	12.24%	14.35%
LSV	50,508	4.9%	5.3%	-17.02%	-17.02%	-25.78%	7.37%	N/A
<b>Total Large Cap - Active</b>	<b>101,487</b>	<b>9.8%</b>	<b>10.6%</b>	<b>-18.09%</b>	<b>-18.09%</b>	<b>-19.29%</b>	<b>9.83%</b>	<b>13.46%</b>
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-15.14%	10.93%	14.67%
<i>Small Cap - Value</i>								
DFA	11,660	1.1%	1.3%	-20.83%	-20.83%	N/A	N/A	N/A
<b>Total Small Cap Value</b>	<b>11,660</b>	<b>1.1%</b>	<b>1.3%</b>	<b>-20.83%</b>	<b>-20.83%</b>	<b>-12.74%</b>	<b>9.30%</b>	<b>17.27%</b>
S&P/Citigroup Broad Market Index < \$2BN				-23.50%	-23.50%	-25.49%	7.39%	17.33%
<i>Small Cap - Growth</i>								
<b>Vanguard</b>	<b>11,186</b>	<b>1.1%</b>	<b>1.3%</b>	<b>-25.01%</b>	<b>-25.01%</b>	<b>-17.52%</b>	<b>11.77%</b>	<b>20.18%</b>
Citigroup Broad Market Index < \$2BN				-23.50%	-23.50%	-25.49%	7.39%	17.33%
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>124,332</b>	<b>12.0%</b>	<b>13.3%</b>	<b>-19.01%</b>	<b>-19.01%</b>	<b>-18.83%</b>	<b>9.79%</b>	<b>14.56%</b>
MSCI EAFE - 50% Hedged				-16.79%	-16.79%	-15.14%	10.93%	14.67%

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	Market Value	Allocation Actual	Policy	Quarter Net ROR	Net	Net	Net	Net
<b>DOMESTIC FIXED INCOME</b>								
<b>Core Bond</b>								
<b>Western Asset</b>	<b>128,495</b>	<b>12.4%</b>	<b>12.4%</b>	<b>-5.05%</b>	<b>-5.05%</b>	<b>2.06%</b>	<b>2.76%</b>	<b>3.55%</b>
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%	4.09%	3.86%
<b>Mortgage Backed</b>								
<b>Hyperion</b>	<b>24,729</b>	<b>2.4%</b>	<b>3.2%</b>	<b>-21.09%</b>	<b>-21.09%</b>	<b>-20.24%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Global Aggregate (US Securitized Portion)</i>				-1.46%	-1.46%	10.14%		
<b>Core Plus/Enhanced</b>								
<i>Clifton Group</i>	39,138	3.8%	3.2%	0.43%	0.43%	10.17%	N/A	N/A
<i>Prudential</i>	38,136	3.7%	3.2%	-1.35%	-1.35%	4.89%	N/A	N/A
<b>Total Core Plus/Enhanced</b>	<b>77,274</b>	<b>7.4%</b>	<b>6.4%</b>	<b>-0.46%</b>	<b>-0.46%</b>	<b>7.55%</b>	<b>N/A</b>	<b>N/A</b>
<i>Lehman Aggregate</i>				-0.49%	-0.49%	7.12%		
<b>Index</b>								
<b>Bank of ND</b>	<b>67,377</b>	<b>6.5%</b>	<b>5.6%</b>	<b>-1.24%</b>	<b>-1.24%</b>	<b>7.68%</b>	<b>3.93%</b>	<b>3.28%</b>
<i>Lehman Gov/Credit (1)</i>				-1.64%	-1.64%	7.24%	3.84%	3.24%
<b>BBB Average Quality</b>								
<b>Wells Capital (formerly Strong)</b>	<b>131,741</b>	<b>12.7%</b>	<b>12.4%</b>	<b>-3.67%</b>	<b>-3.67%</b>	<b>3.55%</b>	<b>3.04%</b>	<b>3.85%</b>
<i>Lehman US Credit BAA</i>				-4.85%	-4.85%	2.62%	2.52%	3.59%
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>429,616</b>	<b>41.4%</b>	<b>40.0%</b>	<b>-4.37%</b>	<b>-4.37%</b>	<b>2.32%</b>	<b>3.89%</b>	<b>5.04%</b>
<i>Lehman Aggregate (2)</i>				-0.49%	-0.49%	7.12%	4.09%	3.73%
<b>CASH EQUIVALENTS</b>								
<b>Bank of ND</b>	<b>56,219</b>	<b>5.4%</b>	<b>5.0%</b>	<b>0.48%</b>	<b>0.48%</b>	<b>3.43%</b>	<b>4.10%</b>	<b>3.38%</b>
<i>90 Day T-Bill</i>				0.63%	0.63%	3.63%	4.27%	3.18%
<b>TOTAL NDACo FUND</b>	<b>1,038,528</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-7.63%</b>	<b>-7.63%</b>	<b>-7.78%</b>	<b>4.24%</b>	<b>6.42%</b>
<b>POLICY TARGET BENCHMARK</b>				<b>-5.06%</b>	<b>-5.06%</b>	<b>-5.04%</b>	<b>4.76%</b>	<b>6.34%</b>

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.